

Questions and Answers about the ARRA DERA RFA

Updated March 26, 2009

The American Recovery and Reinvestment Act of 2009 (Recovery Act) provides \$156 million in new funding to support the implementation of verified and certified diesel emission reduction technologies. This competitive RFA covers \$156 million that must be used to achieve significant reductions in diesel emissions in terms of tons of pollution produced and diesel emissions exposure (particularly from fleets operating in areas designated by the Administrator as poor air quality areas), and the funded projects must demonstrate the ability to maximize job preservation and creation.

Applicants must review and use the most recent version of this RFA when preparing their application packages for submission. Slight modifications were made to the RFA on March 23, 2009. See <http://www.epa.gov/otaq/eparecovery/index.htm> for more information.

The following Questions and Answers are compiled for the benefit of organizations considering applying for a grant under this Recovery Act RFA (Funding Opportunity **EPA-ARRA-OAR-OTAQ-09-06**).

A. Applicant Eligibility

B. Project Eligibility

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A. Applicant Eligibility

Question A1: Can an individual apply for funding under this ARRA RFA?

Answer: No. Only the eligible entities listed in Section III of the RFA can apply for funding under this RFA.

Question A2: Will this RFA fund diesel emission reductions that are required by law?

Answer: No funds awarded under this RFA can be used to fund the costs of emissions reductions that are mandated under Federal, State or local law. Refer to See Section 1.C.7: Restriction for Mandated Measures.

Question A3: The RFA states that award funds cannot be used to meet federal, state, or local emissions reduction mandates. What if a mandate has been passed or approved but has not yet gone into effect? Does an “anti-idling” mandate preclude the use of award funds for anti-idling technologies?

Answer: Mandated emissions reductions are defined by the date the mandate goes into effect, not the date the mandate is passed or approved. For proposals that include activities covered by a mandate, those activities must be completed before the mandate goes into effect, regardless of the length of the grant project period. An “anti-idling” requirement that does not require that a specific type (or types) of technology be installed or used is not considered a mandate and does not preclude use of award funds for anti-idling technologies.

Question A4: Our school district currently contracts with a local bus company for the use of school buses. Would we be eligible to apply for funds under this RFA and provide the funding to the bus company to retrofit the school buses?

Answer: Yes. EPA has funded this type of project in the past since so many school districts contract with private companies for pupil transportation services. The school district would have to be the applicant, would have to maintain and be accountable for the grant funds, set up the contract with the bus company, and ensure that all retrofits are properly installed.

Question A5: Is a college or university that owns buses eligible to apply for this grant?

Answer: The college or university must first meet the eligible entity criteria in Section III (A) of the RFA. If the college or university falls into one of the eligible entity categories, the answer then depends on the actual project proposed. The project must meet all threshold eligibility criteria in Section III (C) of the RFA. All applicants should ensure that the project they are proposing is eligible based on these and any other requirements in the RFA.

Question A6: Are community colleges eligible to apply?

Answer: No.

Question A7: Can a private company (i.e. school bus, transit bus, engine manufacturer, retrofit technology manufacturer, etc) apply for funding under this RFA?

Answer: No. Only eligible entities as identified in Section III (A) of the RFA may apply. A private company may partner with an eligible entity but cannot apply on its own. EPA procurement rules must be followed for any contracts, partnerships, or subawards/subgrants, as explained in Section IV (G) of the RFA.

Question A8: If a private company partners with an eligible entity, can the eligible entity choose that company without competition?

Answer: It depends on the type of relationship between the entities-subgrant or contract. In most cases, the eligible entity must select a contractor through a fair and open competitive process as required by the procurement rules. Please refer to the clause in Section IV.G for further information on selecting subgrantees or contractors to help perform the project.

Question A9: Can funds from the grant be used to pay for biodiesel infrastructure such as pumps or storage tanks?

Answer: No. This funding cannot be used for fueling infrastructure, such as that used for the production and/or distribution of fuel such as biodiesel, or compressed natural gas fueling stations.

Question A10: Can a grant be used to rent a facility for biodiesel or to rent a transport vehicle for biodiesel?

Answer: Renting of biodiesel storage or transportation services is considered infrastructure under this solicitation and is ineligible.

Question A11: The language in the RFA indicates that city or county agencies are eligible. Does this preclude a city or county government from applying?

Answer: No. For this RFA, the term “agencies” is a general term that applies to all levels of government and does not exclude a city or county government.

Question A12: Is fuel tank cleaning an eligible expense?

Answer: No.

Question A13: My fleet is not large enough for a project that falls within the award ranges in Section II. Can I include vehicles or equipment from other fleets in my proposal?

Answer: Yes, but you must identify the other fleet(s) that you wish to include, and describe your relationship with such entity. In addition, you must also provide a description of vehicles/equipment belonging to the other entity that will be involved in the project. The recipient of any assistance agreement funds may then contract directly with the vendor/installer of the technologies to apply those technologies for all of the vehicles/equipment described under the proposal, provided that the conditions for procurement as described in Section IV (G) are followed.

Question A14: Can funds be used for a project that is already started or will be started before the expected award date?

Answer: No. Any funding awarded under this announcement must be used for activities that take place within the approved project period and may not be used for unauthorized pre-award costs.

However, funding could be used for a new component of an on-going project. For example, if the applicant has a fleet of 500 school buses and has already retrofitted 200, the applicant can apply for funds to retrofit the remaining 300 buses.

Question A15: Can applications still be submitted for demonstration projects?

Answer: No. Demonstration projects are not eligible under this RFA.

Question A16: Can we view the applications that were successful in obtaining federal funds?

Answer: Yes, you would have to file a Freedom of Information Act (FOIA). To do so, contact the FOIA officer in the applicable EPA Regional office. Certain Confidential Business Information and other protected information would be withheld.

Additionally, the National Clean Diesel Campaign website has a list of previously funded projects from past grant programs that could be used as a reference. See link for more information: www.epa.gov/cleandiesel/projects.htm

Question A17: Is replacing single-axle dump trucks with double-axle trucks eligible?

Answer: Yes. There are several requirements however: 1) the new trucks should be able and assigned to perform the task that the old trucks did; 2) the old diesel trucks would need to be scrapped (see the definition in the RFA for scrappage); EPA will cover up to 25% of the cost of the replacement vehicle.

Question A18: We have already placed an order for new school buses but won't receive them or pay for them until June of 2010. Can we use this grant to pay for those buses?

Answer: The EPA funding can not be used to pay for items which were procured outside of the award period. In the case of pre-ordering buses, the applicant must demonstrate that the pre-ordering does not constitute a procurement and commitment to purchase. If you obligated your school district to pay for the buses prior to the beginning of the grant period, then you are not eligible for reimbursement under this program. In addition, this project is not for buses that would have been replaced through attrition, but rather, early replacement. In most cases, if the buses have already been ordered, the project would not be an early replacement project.

Question A19: For large projects like shore power with a relatively short timeline for completion, I would like to know what the guidelines are with regard to sole sourcing projects, or components of the overall project. The terms and conditions of the grant specify that competitive processes should be used for contracts.

Answer: If successful applicants intend to use EPA funds to purchase goods or services, such applicants must generally compete the contracts for those goods and services, make efforts to provide small and disadvantaged businesses with opportunities to compete, and conduct cost and price analyses to the extent required by the fair and open competition for procurement provisions of 40 CFR Part 30 or 31. See clause IV.G in the RFA.

While applicants are not required to identify contractors or consultants in their application if they do so it does not relieve the applicant of its obligations to comply with competitive procurement requirements, nor does it guarantee that costs incurred for such contractor/consultant will be eligible under the grant/cooperative agreement.

Any mention of a specific vendor or fleet in an application does not imply that that vendor or fleet will be awarded a contract for goods or services or receive particular benefits under this program. Please note that applicants cannot award sole source contracts to consulting, engineering or other firms assisting applicants with the application based solely on the firm's role in preparing the application. EPA cannot accept sole source justifications for contracts for services or products that are otherwise readily available in the commercial marketplace. The regulations also contain limitations on consultant compensation.

You can find the EPA guidelines on "Purchasing Supplies, Equipment and Services under EPA Grants" at <http://www.epa.gov/ogd/recipient/procurement.htm>.

In some cases, however, the case for sole source justification may be made. These cases will be approved on a case-by-case basis after award by the EPA Project Officer.

Question A20: Should entities in rural areas apply, or is the competition focused on urban areas?

Answer: The competition is open to all eligible entities – as defined in Section III (A) of the RFA – and EPA encourages all types of eligible entities to apply. Please refer to the selection criteria in Section V of the RFA for additional information on how the proposals will be evaluated and scored.

Question A21: Does the project have to be accomplished within the collaborative in which the grantee resides?

Answer: No. The project must be accomplished within the Region to which the applicant applies for grant funding. Where the applicant physically resides does not matter.

Question A22: Is there a way that an eligible entity can preselect an equipment supplier for a retrofit program?

Answer: If the eligible entity chooses to select an equipment supplier through a competitive process prior to submitting its application then the entity would not have to recompetete the work if its project was selected. For example, a school system wants to retrofit all of its school buses with diesel particulate filters but is unsure of the details needed to develop a winning proposal. They could select a supplier through a competitive process and then coordinate with the selected supplier to develop a strong proposal.

Question A23: During a recent Grants Workshop, it was mentioned that nonprofits that submit winning proposals must meet certain additional requirements. What are those requirements?

Answer: There may be some additional requirements that affect awards to non-profit organizations. For example, see the Administrative Capability clause in Section VI.G of the RFA.

In addition, effective October 1, 2007, grant specialists are including a new administrative condition in each grant award and increase amendment made to a non-profit organization. The condition, which is shown below, requires two employees of the recipient organization to take an on-line grants training course. No funds will be released for payments until the training is completed.

New Administrative Condition:

"The recipient acknowledges that two employees of this recipient organization must complete the mandatory on-line training, "EPA Grant Management Training for Non-Profit Applicants and Recipients." One person must be the project manager, or equivalent, for this assistance agreement. The other individual must be the person authorized to draw down funds for this assistance agreement. The training must be completed by both employees prior to the return of the award document to EPA and the receipt of any grant funds. The course can be accessed at: <http://www.epa.gov/ogd/>

At the end of the course the recipient must print out, sign and return the certificate of completion with the affirmation of acceptance to the appropriate grants office.

The training certification will expire 3 years from the last training date. No funds will be released to the recipient by EPA until the required training is completed."

Question A24: Are demonstration project funds going to be available in 2009?

Answer: No. Any funding appropriated for FY 2009 will be for the DERA portion of the Energy Policy Act of 2005. These funds are for implementation projects, not demonstration projects. There is also an open ARRA DERA competition for Emerging Technologies. More information can be found here:
<http://www.epa.gov/otaq/eparecovery/progemerge.htm>

B. Project Eligibility

i. After-treatment and Anti-Idling Technologies

Question Bi.1: Are diesel particulate filters (DPFs) required for retrofits, or are we allowed to install diesel oxidation catalysts (DOCs) as well?

Answer: Diesel particulate filters and/or diesel oxidation catalysts that are EPA verified technologies can be used for a project in this RFA. Please read the RFA, Section I (C), Eligible Diesel Emissions Reduction Solutions for more information.

Question Bi.2: The RFA mentions that the funds can be used for idle reduction technologies. Can funds be used for a project to reduce idling through outreach programs (driver training, signs, etc.) and policy development? What are some examples of idle reduction technologies?

Answer: No. Only verified idle reduction technologies can be funded. For examples of idle reduction technologies eligible for funding under this announcement, please refer to Section I(C) of the RFA.

Question Bi.3: Would an engine that goes in a bus and runs on fuel and heats it up be allowable?

Answer: As described on the web at <http://epa.gov/otaq/smartway/transport/what-smartway/verified-technologies.htm>, Fuel Operated Heaters (FOH) are approved idle reduction technologies. A FOH provides heat only. EPA has determined through its own test program that these devices reduce emissions on Class 8 trucks when compared to the truck's baseline emissions. In addition, the California Air Resources Board (CARB) has approved certain FOHs for compliance with applicable California emissions standards.

Question Bi.4: Are we able to apply for funds related to Exhaust Gas Recirculation (EGR) equipment we have installed on our fleets from 2000-2009?

Answer: No. The funding is for future improvements to diesel fleets and equipment. However, any experience you have can be used to demonstrate your programmatic capability and experience.

ii. Clean and Alternative Fuels

Question Bii.1: Does "conventional diesel fuel" include low sulfur diesel (LSD)? In other words, can funding be used to displace LSD with ultra low sulfur diesel (ULSD) fuel (with less than 15 parts per million sulfur) use in off-road construction vehicles?

Answer: Yes. You can use the grant funds to offset the cost of ULSD in non-road equipment. However, note that ULSD is required in 2010 so funds cannot be used for ULSD in some off-road scenarios after 2010. Only the incremental cost may be eligible.

Question Bii.2: Can you include cost differential in the application even though you are already purchasing ULSD or biodiesel at a premium?

Answer: EPA will pay for the cost differential for new fuel contracts or changes to existing contracts. If an entity is already purchasing biodiesel or ULSD at a premium, EPA will not provide reimbursement for that activity. However, EPA will pay the cost differential associated with renewing, extending or obtaining a new contract for cleaner fuel.

Question Bii.3: Can an entity apply to fund the manufacturing process of biodiesel (or another cleaner fuel)?

Answer: No. This competition is intended to be for implementation of verified or certified diesel emissions reduction technologies, and is not intended to fund the manufacture, research, or development of those emission reduction technologies (fuel, equipment, etc.). Section II (E) of the RFA lists other funding restrictions and requirements.

Question Bii.4: Is there any chance of a school district receiving grants for anything more than the incremental cost difference between a diesel bus and a CNG powered or fuel cell bus?

Answer: EPA will pay up to 25% for the replacement of school buses that meet EPA's 2007 standards for heavy-duty on-highway vehicles. EPA will pay for up to 50% for the replacement of school buses that meet EPA's 2010 standards for heavy-duty on-highway vehicles

Question Bii.5: What are the requirements for projects to add vegetable oil (such as strained and filtered old cooking oil) to diesel fuel?

Answer: The vegetable oil must first be registered as a fuel additive. Vegetable oil, such as strained and filtered cooking oil, is not the same as biodiesel. EPA allows up to a 5% vegetable oil blend with diesel fuel, provided the diesel continues to meet ASTM diesel specifications. The manufacturer or facility producing the vegetable oil must have it registered as a fuel additive via EPA Form 3520-13, Fuel Additive Manufacturer Notification, available at:
<http://www.epa.gov/otaq/regs/fuels/ffarsfrms.htm>

Question Bii.6: Our town is planning to use filtered, used vegetable oil from local restaurants in our highway department diesel vehicles and school buses. We would like to establish the infrastructure to collect, process and blend this vegetable oil with diesel fuel. Will this initiative fall under the guidelines for this program?

Answer: No. Cooperative agreement funds cannot be used for fueling infrastructure, such as that used for the production and/or distribution of fuel such as biodiesel, or compressed natural gas fueling stations. SVO (straight vegetable oil) is not an EPA registered fuel. See the related question regarding vegetable oil use. The conversion kits to run an engine on SVO are not certified either and are not eligible for funding.

If the SVO is converted to biodiesel that meets ASTM standards, the purchase and use of ASTM biodiesel is allowed under the grant program. The biodiesel manufacturer must have it registered as diesel fuel, using EPA Form 3520-12 at <http://www.epa.gov/otaq/regs/fuels/ffarsfrms.htm>. However, the infrastructure costs of making and distributing the fuel are not eligible under the National Clean Diesel Funding Assistance Program. Additionally, only the incremental cost for cleaner fuel is eligible.

iii. Engine Replacements/Repowers/Shutdowns

Question Biii.1: Is replacing gasoline powered vehicles or equipment with new diesel powered vehicles or equipment eligible under this RFA?

Answer: No, the replacement of gasoline-powered vehicles or equipment is not allowable under this RFA. However, replacement of diesel vehicles and equipment with newer, cleaner diesel or hybrid or alternative fuel vehicles or equipment is eligible for funding under this announcement per Section I(C) of the RFA.

Question Biii.2: Is converting a truck to CNG considered an engine replacement, an engine upgrade or a retrofit?

Answer: If the existing engine is converted to run on CNG through the installation of a "kit", it is an engine upgrade. The "kit" must be certified, and it is not verified as a retrofit. If the entire engine and fueling system are swapped out with a CNG engine configuration, it is a repower and it also must be certified.

Question Biii.3: Would purchase of new CNG refuse trucks to replace diesel units qualify under this program?

Answer: Yes, as an early replacement for an old diesel vehicle, CNG replacement would be an eligible activity under this RFA. Up to 25% of the cost of the new vehicle can be included in a grant application. Emission reductions that would have occurred through normal attrition are not eligible: it must be early retirement. In addition, the old diesel vehicle must be scrapped or remanufactured (see RFA for details).

Question Biii.4: We would like to replace the 70 daily diesel truck trips with an approved state-of-the-art pipeline delivery system. Would this be eligible under the RFA?

Answer: This project doesn't qualify under our program. Other Funding Opportunities offered by other Federal agencies besides EPA under the Recovery Act may cover such a project.

Question Biii.5: Is the new purchase of alternative technology switcher locomotives (multi-engine gen sets) eligible for funding under this program? If so, what percentage of funding would this type of project be eligible to receive? If the new purchase is not eligible, could this type of project be funded as a replacement and be eligible for 25%?

Answer: Yes, under a locomotive replacement program. The purchase of a new locomotive would not qualify if the overall fleet is expanding by the purchase and no comparable locomotive were removed from service. The grant would cover the incremental cost of new vehicles and equipment, which would be up to 25% of the cost of the new vehicle or equipment. As a replacement project, the locomotive removed from service would have to comply with RFA requirements. The engine must be permanently disabled and the locomotive chassis must also be permanently disabled. If you are just replacing the engine, that would be repower and EPA would pay up to 75%.

Question Biii.6: Are trailer refrigeration units eligible for replacements under this RFA?

Answer: Yes, they would be eligible, provided that the replacement is a certified cleaner engine, and the old refrigeration unit & engine is permanently disabled. Additionally, the applicant is responsible for complying with all laws for proper recycling and handling of refrigerants in this type of replacement project.

Question Biii.7: Are diesel-powered standby gen sets eligible for program funding?

Answer: Yes.

Question Biii.8: Can the grant money be used to replace existing older style diesel generators? Can the grant money be used to buy new tier 2/3 diesel generators; for Sewer Lift Stations, Water-Wells?

Answer: Replacement/ upgrade of engines are eligible activities and include replacement/upgrade of stationary engines. Please review the limitations for replacement and upgrades in Section I.B.

Question Biii.9: How much does EPA cover if a diesel heavy-duty vehicle is replaced with a hybrid?

Answer: EPA covers 25% of engine/vehicle replacements, except for school buses meeting the 2010 emissions standards, for which we cover 50%.

Question Biii.10: Does the grant for cleaning agricultural diesel emissions include replacing diesel powered water pumps with electric pumps?

Answer: Yes, our grant funding would cover a project that replaced diesel-powered water pumps. The replacement engines would have to be certified by EPA or CARB.

Question Biii.11: Does the term "school buses" mean buses which transport school pupils, or is a generic term in Section I.C.5.f.i in the RFA? We use school buses to transport inmates.

Answer: The term is specific and refers to medium or heavy-duty buses which transport children to and from educational facilities.

Question Biii.12: I am preparing an application for the ARRA Diesel Funding and would like to ask a clarifying question. We are applying for funds to administer a subgrant program for engine repowers. Engine repowers require a 25% cost share for the parts and installation, but if I include a request for funds to support staff and marketing assistance for the project, that funding use does not have a cost share requirement. Is this correct?

Answer: The entire project requires a 25% cost-share. In other words, if the entire project (parts, labor, personnel, etc.) costs \$100,000, then the cost-share would be 25%, or \$25,000.

iv. Scrappage

Question Biv.1: What constitutes the "scrappage" of a vehicle after it is replaced? Are we allowed to sell it?

Answer: If only the engine is replaced, it must be rendered either inoperable by drilling core holes (or other destructive method) or be recycled and upgraded through the original engine manufacturer. If the entire vehicle is replaced, then the vehicle can be sold, but the engine must be scrapped or upgraded through an OEM reuse program. The vehicle must be permanently disabled such as by cutting the frame. If a vehicle or engine is sold for parts or scrap, any income must be accounted for in the project.

Evidence of appropriate disposal is required in a final assistance agreement report submitted to EPA. To be able to apply for this funding opportunity for replacement of a vehicle, engine, or equipment, the following requirements apply:

1. The vehicle, engine, or equipment being replaced will be scrapped, or the replaced engine would be returned to the original engine manufacturer for remanufacturing to a cleaner standard.
2. The replacement vehicle or engine will be of the same type and similar gross vehicle weight rating or horsepower as the vehicle or engine being replaced. The replacement vehicle/equipment must be of the same type and similar gross vehicle weight rating or horsepower as the vehicle/equipment being replaced (e.g., a 300 horsepower bulldozer is replaced by a bulldozer of similar horsepower). The replacement vehicle/equipment must perform the same function as the vehicle/equipment that is being replaced (e.g., an excavator used to dig pipelines would be replaced by an excavator that continues to dig pipelines). These projects can also include the replacement of nonroad vehicles/equipment with highway models if the highway models are capable of performing the same functions as the nonroad models.

Question Biv.2: I would like to apply for funds to scrap old diesel trucks. There would be no retrofitting involved, or the purchase of a replacement vehicle. Am I eligible?

Answer: No. This RFA can only be used for projects using an EPA certified engine configuration or a verified technology. A scrappage project does not use a certified engine configuration or a verified technology as those terms are defined in DERA.

Question Biv.3: I would like to apply for funds to purchase a new truck and simultaneously scrap an old diesel truck. Could the RFA money be used to pay the administrative cost of scrapping the old vehicle (drilling a hole in the engine block, towing to a scrap yard, etc)?

Answer: The funds could arguably be used to pay for the scrappage costs, provided that the project is using a certified engine configuration or verified technology. For

the cost to be eligible, you would have to determine whether the project involving the purchase of new trucks is a project using a certified engine configuration or a verified technology. For example, a grantee could use grant funds to purchase a new truck and pay for scrappage if the new truck purchased has a certified engine configuration (a new engine configuration that has been certified or verified by EPA or CARB that meets a more stringent set of emissions standards as determined by EPA). The scrappage would be part of the overall project using the certified engine configuration and the scrappage would contribute to the diesel emissions reductions.

Question Biv.4: Does EPA only pay for the incremental cost of an engine/vehicle replacement AFTER the costs of scrapping the old engine are factored in?

Answer: Although the old engines do need to be scrapped, any money received for the old engine is not factored into EPA's grant funding percentages. EPA covers 25% of engine/vehicle replacements, except for school buses meeting the 2010 emissions standards, for which we cover 50%. However, if the old engine is sold for scrap metal (after being disabled), that money will be considered project income and needs to be rolled back into the grant.

v. Shore Power, Hybrids, and more

Question Bv.1: Will the funding assistance cover all or a portion of the design and construction of a "cold-ironing" system to provide shore-side power to a ship at berth?

Answer: The assembly of a cold-ironing system to provide shore-side power at a ship berth is an eligible activity and project funds can be used to fund this activity.

Question Bv.2: How can hybrid vehicles be eligible for this RFA?

Answer: There are a couple of opportunities for medium and heavy-duty hybrid vehicles in this RFA.

First - A hybrid vehicle may go through the verification process to quantify the benefits of the hybrid vehicle compared to a comparable traditional drive vehicle. In this case, the manufacturer must submit an application for verification and follow the traditional verification process. Depending on the design, the hybrid vehicle may qualify under the Emerging Technology program.

Second - A hybrid vehicle may qualify as a replacement vehicle under DERA. As a replacement strategy, the applicant would need to comply with other requirements described for replacement vehicle projects.

In each of these cases, an appropriately certified engine must be used in the vehicle. Non-road engines may not be used in on-highway hybrid vehicles. Hybrid vehicles that use engines covered by a testing exemption are not eligible.

Question Bv.3: Are railroads that are publicly or privately held companies not associated with a government or port eligible for this funding? (For instance, short line railroads or industrial operations.)

Answer: Applicants must be eligible entities. Private companies are not eligible. Eligible entities for these funds include:

A) A regional, State, local or tribal agency or port authority with jurisdiction over transportation or air quality; and

B) A nonprofit organization or institution that— 1) represents or provides pollution reduction or educational services to persons or organizations that own or operate diesel fleets; or 2) has, as its principal purpose, the promotion of transportation or air quality.

School districts, municipalities, metropolitan planning organizations (MPOs), cities and counties are all eligible entities under this assistance agreement program within the extent that they fall within the definition above.

However, the railroad could partner with an eligible entity as outlined above and receive a subgrant or subcontract for an eligible project, if appropriate procedures are followed.

Question Bv.4: If a company has been awarded funding from a state such as TCEQ can they apply for federal funding through DERA to make up the balance of a locomotive replacement cost?

Answer: Yes, as long as the said “state funding” is not actually Federal funding that was allocated to the state. And for-profit entities are not eligible for this funding. So a private company would need to collaborate with an eligible entity in order to apply for funding.

Question Bv.5: We have a project to replace two 1992 Heavy Duty buses with two Hybrid Transit Buses. Are we eligible?

Answer: Yes, assuming you are an eligible entity. However, be aware though that EPA will only cover up to 25% of the cost of the hybrid buses if your application is approved. So be prepared to provide the remaining 75% of the cost.

C. Application Process

Question C.1: Where do I get an RFA and where do I send the proposal?

Answer: The Request for Applications (RFA) can be downloaded at EPA's web site: <http://www.epa.gov/otaq/eparecovery/index.htm> and is also available through www.grants.gov. The RFA contains information on how to submit an application and where to submit it. Please make sure you use the most recent version of the RFA when preparing your application since it has been slightly modified since it was originally posted on March 19, 2009.

Question C.2: Where do I find the actual form to submit the grant?

Answer: Please go to www.epa.gov/ogd/AppKit/application.htm. You will find all the forms and the process to apply for funds under this RFA. Section IV (B) of the RFA includes detailed instructions on submission and application process.

Question C.3: What is an example budget for the SF-424A?

Answer: The proposed budget must have budget categories that reflect those on the SF-424A. An example of a detailed budget is provided as Appendix A of the RFA. The budget should indicate what portion of the cost will be paid by EPA, and what portion will be paid by the applicant or other partners. Leveraged funds are not included in the approved budget for the project.

Question C.4: How do I demonstrate that an area is economically disadvantaged?

Answer: One way to demonstrate that an area is economically disadvantaged is to cite data from the U.S. Census Bureau Web site (www.census.gov) concerning the percent of area residents living in poverty. The Area Profile tool on this Web site can provide this statistic, as can using the Bureau's Small Area Income and Poverty Estimates Web site (<http://www.census.gov/hhes/www/saie/saie.html>).

Question C.5: Is there a required match when applying for funding?

Answer: There is no general match requirement for this program. However, there is a match requirement for certain repower and replacement projects as well as school bus projects. Please see section I.C and III.B for more information on replacement and repower projects.

Question C.6: Past Performance: Is it necessary to list every federally funded grant the applicant has received in the last 3 years, if the applicant is a large organization that has received a large number of grants?

Answer: No. If the applicant has performed grants that are not similar in size, scope and/or relevance to the proposed project, it is not necessary to list them. And the RFA says to list not more than 3.

Question C.7: Past Performance: What if the applicant has received grants similar in scope, size and relevance, but the agreement was closed out more than 3 years ago? Can they still be listed?

Answer: The RFA specifies that they must have been performed in the last 3 years. Agreements that were implemented and closed out more than 3 years ago will not be considered in the scoring process.

Question C.8: Will project awards go directly from the EPA Regional Office to the recipient, or will they pass through the State of the award?

Answer: The awards for this program will go directly from the EPA Regional office to the recipient. Once the recipient is awarded the grant, the organization commences work. As the work is completed, the organization presents invoices to EPA and funds are transferred to the organization.

Question C.9: Is the project implementation timeline presented in the grant announcement and running from June 9, 2009 to September 30, 2010 a requirement for a) the obligation of money to a project b) the beginning of project work c) the substantial completion of a project d) the completion of a project?

Answer: The Sept 30, 2010 date is a goal for the work to be completed, with 90 days for the last invoicing and final technical report and wrap-up of the project. If the work is not completed, the organization can ask EPA for a no-cost extension to complete the work. The Recovery Act appropriation expires on September 30, 2010, so EPA cannot obligate any Recovery Act funds after that date.

Question C.10: We are having trouble getting prices for the 2010 buses. How do we handle that in an application?

Answer: Obtain the best estimates you can using your existing procurement programs.

Question C.11: Is it all right if a proposal is for multiple entities in more than one state? Would EPA prefer separate proposals for each state?

Answer: Multiple entities within a single EPA Region can apply under the same proposal, as long as there is one primary applicant.

Question C.12: We submitted a 2-year application in (08-09 cycle). Do we need to apply for 09?

Answer: Yes, you will need to apply again for the 09 (2009-2010) cycle under this RFA. All of the grants under the Recovery Act will be new awards.

Question C.13: Can you put outputs and outcomes in table form?

Answer: Yes. You should make sure that you adequately explain the benefits of your project, in addition to the table.

Question C.14: Are applicants required to submit the Lobbying Certification when they submit their proposal package?

Answer: Yes. The required application materials are listed in Section IV.C of the RFA.

Question C.15: How do we calculate job creation/retention?

Answer: An applicant will only have to measure and report on jobs created/retained as a direct result of the project funding (recipients and tier one sub-grantees or contractors). In the application, the applicant must demonstrate how the proposed project will promote economic recovery and job creation and/or preservation.

Question C.16: Is there a maximum amount of program administration funding that an eligible entity can request?

Answer: No. However this will affect "cost-effectiveness" which is a criterion against which applications will be evaluated.

Question C.17: Is there a place to look up a list of covered costs for repower and replacement by component?

Answer: No. Allowable costs are expressed only as a percentage of the total cost of repower or replacement; up to 75% for repowers and up to 25% for replacements (except in the case of school buses that meet 2010 standards, in which case the percentage covered is up to 50%).

Question C.18: The American Recovery and Reinvestment Act (Recovery Act) notes *"That none of the funds appropriated herein for Diesel Emission Reduction Act grants shall be subject to the State Grant and Loan Program Matching Incentive provisions of section 793(c)(3) of such Act."* Yet the grant notice indicates that matching funds will be required for certain projects. Can you please explain?

Answer: The State Clean Diesel program ordinarily offers a matching incentive provision for States, but for the Recovery Act this provision was waived. For the National Clean Diesel Funding Assistance Program the only required match is for repowers and replacement projects, where there are funding limitations for what EPA will cover. For example, we only cover up to 75% for engine repowers -- the organization receiving the grant must supply the remaining 25% (or more). Since this is required for the project, it's termed a "match."

Question C.19: Where are the priorities of Regions 1, 6 and 9 located in the RFA?

Answer: The priorities of Regions 1, 6 and 9 are grouped in Section 1.C.3 of the RFA with Regions 2, 7 and 10, respectively.

Question C.20: Please provide a description of the Vehicle Classes 5, 6, 7, 8, 8A and 8B as used in the optional Applicant Fleet Description spreadsheet.

Answer: Check Appendix A, Table A.2 of the Diesel Emissions Quantifier User's Guide (<http://cfpub.epa.gov/quantifier/view/userguide.cfm>).

D. Recovery Act Requirements

Question D.1: What requirements does the American Recovery and Reinvestment Act (Recovery Act) impose on this program that make Recovery Act funded projects different than projects funded under the regular DERA RFP?

Answer: The Recovery Act includes certification requirements, Buy American requirements, Wage Rate requirements, Quick-start requirements, and special reporting requirements. We are developing Recovery Act Q&As to address the requirements imposed by the Recovery Act.